



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

IN THE MATTER OF THE JOINT PETITION)	
OF TIME WARNER TELECOM, INC.,)	<u>TELECOMMUNICATIONS</u>
TIME WARNER TELECOM HOLDINGS, INC.)	
AND TIME WARNER TELECOM OF)	ORDER
NEW JERSEY, L.P. FOR AUTHORITY TO)	
ENTER INTO CERTAIN FINANCING)	DOCKET NO. TF05100887
ARRANGEMENTS)	

(SERVICE LIST ATTACHED)

BY THE BOARD:

On October 21, 2005, Time Warner Telecom, Inc. ("TW Telecom"), Time Warner Telecom Holdings, Inc. ("TWTC Holdings") and Time Warner Telecom of New Jersey, L.P. ("TW-NJ" or the "Company") (collectively "Petitioners"), filed a petition with the New Jersey Board of Public Utilities ("Board"), pursuant to N.J.S.A. 48:3-7, N.J.S.A. 48:3-9 and N.J.A.C. 14:1-5.9 seeking authority to enter into certain financial transactions described below. On November 8, 2005, Petitioners filed a revised petition in order to provide additional information concerning the proposed transactions. Petitioners have provided additional information pursuant to request for same from Board Staff.

TW-NJ is a competitive local exchange carrier authorized to operate in the State of New Jersey. TW-NJ is a wholly-owned subsidiary of TWTC Holdings, a Delaware corporation, which in turn is a direct, wholly-owned subsidiary of TW Telecom.

Petitioners seek approval to enter into transactions amending financing instruments previously approved by the Board in Docket No. TF04020096.¹ Therein, Petitioners obtained the Board's approval to issue \$200 million of 9.25% Senior Notes due in 2014 and \$240 million of Secured Floating Rate Notes due in 2011, and to enter into a five-year Senior Secured Revolving Credit Facility ("Revolving Facility") in the amount of \$150 million. Petitioners now seek Board approval for TW Telecom and TWT Holdings to enter into an Amended and Restated Credit Agreement ("Amended Credit Agreement") with several lenders from time to time parties thereto. Pursuant to the terms of the Amended Credit Agreement, TWT Holdings will reduce the Revolving Facility to \$110 million and enter into a \$200 million "Term Loan B Facility." The

¹ *I/M/O of the Petition of Time Warner Telecom, Inc., Time Warner Telecom Holdings, Inc. and Time Warner Telecom of New Jersey, L.P. for Authority to Enter Into Certain Financing Arrangements, Docket No. TF04020096, May 12, 2004.*

Term Loan B Facility will expire on November 30, 2010, subject to extension to November 30, 2012 if, on or before November 30, 2010, the 2011 Senior Notes and the Second Lien Notes are refinanced to a maturity date no earlier than November 30, 2013. The Term Loan B Facility, like the Revolving Facility, would be guaranteed by TW Telecom and certain affiliates, including TW-NJ, and would be secured by a pledge of stock and grant of security interests in assets and other property owned by TWT Holdings, TW Telecom and certain affiliates, including TW-NJ. The Revolving Credit Facility expires February 20, 2009, subject to acceleration to April 14, 2008 if any of the 2008 Senior Notes remain outstanding on April 14, 2008.

Petitioners also state that, by the terms of the transactions, TWTC Holdings may increase the revolving commitments under the Revolving Facility, as amended, by an amount up to \$200 million, assuming a corresponding decrease in the Term Loan B Facility and subject to agreement by the lenders. Thus, the loan commitments provide financing flexibility to Petitioners, but collectively under the Revolving Facility and the Term Loan B Facility such loan commitments will not exceed \$310 million.

Petitioners assert that the funding provided by the proposed transactions will be used to fund capital expenditures and working capital needs. The Term Loan B Facility also allows TWT Holdings and TW Telecom to redeem certain existing senior notes due in 2008, and thus retire existing debt.

On January 26, 2006, the Division of Ratepayer Advocate submitted a letter to the Board recommending that the Board approve the petition.

The Board, after investigation, having considered the record and exhibits submitted in this proceeding, and finding that the transactions are in accordance with law and are not contrary to the public interest, and approving the purposes thereof, HEREBY ORDERS that Time Warner Telecom, Inc., Time Warner Telecom Holdings, Inc. and Time Warner Telecom of New Jersey, L.P. are HEREBY AUTHORIZED to execute the Amended Credit Agreement and all necessary documents related thereto. Petitioners are also HEREBY AUTHORIZED to pledge stock and grant security interests in the assets and other property of Petitioners, including Time Warner Telecom of New Jersey, L.P., in connection with the consummation of and performance under the Amended Credit Agreement and related documents.


This order is subject to the following provisions:

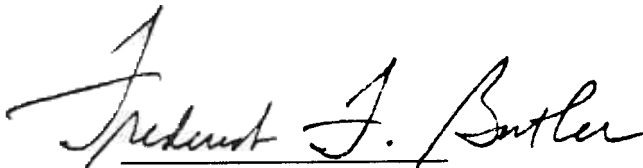
1. Petitioners shall notify the Board, within five business days, of any material changes in the Amended Credit Agreement, and shall provide complete details of such transactions including any anticipated effects upon service in New Jersey.
2. Petitioners shall notify the Board of any material default on the terms of the Revolving Facility or the Term Loan B Facility within five business days of such occurrence.
3. This Order shall not affect or in any way limit the exercise of the authority of the Board or of the State in any future petition with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or any other matters affecting Time Warner Telecom of New Jersey, L.P.
4. This order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by Petitioners.

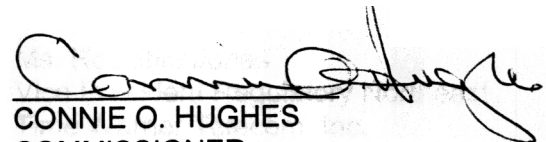
5. Notwithstanding anything to the contrary in the documents executed pursuant to the financing transactions or other supporting documents approved herein, a default or assignment under such transactions or documents does not constitute automatic transfer of Petitioners' assets. Board approval must be sought pursuant to N.J.S.A. 48:1-1 et seq. where applicable.

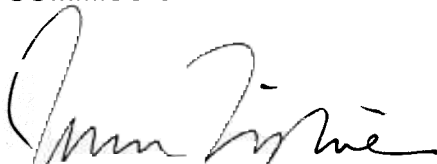
DATED: 2/24/86

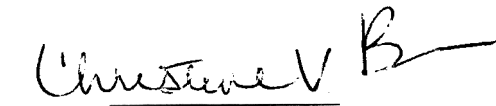
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ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities

